

Risk Management/5520

LOSSES LIMITED TO \$1,000,000	1999 Actual ¹	2000 Adopted	2000 Revised	2001 Adopted	2002 Estimated	2003 Estimated
Beginning Fund Balance	(4,807,522)	(6,871,968)	(997,552) ⁴	995,833	574,140	353,083
Revenues						
* Interfund Charges	17,039,167	21,165,595	21,051,083	20,188,795	21,565,349	23,028,515
* Interest Income	2,241,224	2,289,292	3,075,639	2,295,698	2,410,483	2,531,007
Total Revenues	19,280,391	23,454,887	24,126,722	22,484,493	23,975,832	25,559,522
Expenditures						
* Claims Costs(limited to first \$1 million)	0	(13,552,186)	(5,665,191)	(12,408,857)	(13,091,913) ⁵	(13,816,221)
* Insurnace Premiums	(2,335,732)	(2,373,689)	(3,129,452)	(3,212,952)	(3,437,859)	(3,678,509)
* Prosecutors, Claim Adjustment & Program OH	(3,904,546)	(4,155,529)	(3,927,092)	(4,177,861)	(4,386,754)	(4,606,092)
* Transfers to Other Funds (MARR)	(257,894)	(266,920)	(266,920)	(266,920)	(280,266)	(294,279)
Total Expenditures	(6,498,172)	(20,348,324)	(12,988,655)	(20,066,590)	(21,196,792)	(22,395,100)
Estimated Underexpenditures						
Other Fund Transactions						
* Adjstments for Incurred Losses	(4,501,353)	(1,257,687)	(9,144,682)	(2,839,596)	(3,000,097)	(3,166,036)
* Adjustments for Carryovers	(428,452)				-	
Total Other Fund Transactions	(4,929,805)	(1,257,687)	(9,144,682)	(2,839,596)	(3,000,097)	(3,166,036)
Ending Fund Balance	3,044,892	(5,023,092)	995,833	574,140	353,083	351,468
Reserves & Designations						
-					-	
Total Reserves & Designations	0	0	0		0	0
Ending Undesignated Fund Balance	3,044,892 ²	(5,023,092)	995,833	574,140	353,083	351,468

CATASTROPHIC LOSS RESERVES	1999 Actual	2000 Adopted	2000 Revised	2001 Adopted	2002 Estimated	2003 Estimated
Beginning Cash Balance	17,840,478	17,237,728	17,293,476	14,346,393	16,708,782	17,926,179
Revenues						
* Transfer from Other Funds			12,600,000		-	
* Insurance Recoveries			2,676,270			
* Interest Income	953,697	723,828	1,093,798	1,148,488	1,217,397	1,278,267
*Cat Loss Revenue				1,213,901 ⁸		
Total Revenues	953,697	723,828	16,370,068	2,362,389	1,217,397	1,278,267
Expenditures						
* Claims Costs	(1,500,699)	(4,539,000)	(2,584,615)		-	
* Transfers to Other Funds			(16,732,536)		-	
Total Expenditures	(1,500,699)	(4,539,000)	(19,317,151)	0	0	
Estimated Underexpenditures	0	0	0		0	0
Other Fund Transactions						
-					-	
Total Other Fund Transactions	0	0	0	0	0	
Ending Fund Balance	17,293,476	13,422,556	14,346,393	16,708,782	17,926,179	19,204,446
Reserves & Designations						
* Reserved for Losses Over \$1 Million	0	(20,760,000)	(20,489,000)	NA	NA	NA
* New Annual Reserve Requirement		(2,787,000)				
Total Reserves & Designations	(18,695,000) ²	(23,547,000)	(20,489,000)	NA ⁹	NA	
Ending Undesignated Fund Balance	(1,401,524) ³	(10,124,444)	(6,142,607)	NA	NA	NA

Financial Plan Notes:

In general, this financial plan is most significantly affected by annual updates to actuarial estimates of incurred claims.

This financial portray of the Insurance Fund is based on the 2000 actuary study that revised estimates of losses for policy years 1990 - 1999

- Based on 14month ARMS actuals
- Financial portrayal of Fund is based on 1999 actuary study which increased estimates of losses for 1990-1998 policy year by \$6.7 mil. over the estimate contained in the 1998 actuary study.
- Reflects the 1999 actuary study that increased estimate of catatrophic losses from an estimated \$15.8 mil. to \$22.695 mil. at year end 1999.
- The 2000 revised beginning fund balance reflects the changes from 1999 to 2000 actuary's estimate for incurred liability.
- 2002 & 2003 projected increase in expenditures are based on 5.5% - 6% for claims expenditures; 5% for OH and MARR transfer; and 7% for insurance premiums.
- 2002 & 2003 projected revenues are based on 5% increase in interest income and 6.8% in charges.
- Based on 2000 actuary recommendation. Actual results may differ from expected results and the difference could be substantial.
- If ending cash balance falls below the \$15.0 mil. required by the catastrophic financing policy, catastrophic charges will be assessed to restore the fund to the required \$15.0 mil.
- This number develops annually by the actuary